

August 12, 2003

TO: Internal File

FROM: Pamela Grubaugh-Littig, Permit Supervisor

RE: Bonding, Hidden Splendor Resources, Inc., Horizon Mine, C/007/020

The permit for the Horizon Mine was transferred on July 1, 2003. Hidden Splendor Resources, Inc. posted an irrevocable letter of credit with Bank One (ILOC # 00335483) in the amount of \$342,000.

A replacement bond has been posted in the form of real estate (a condominium at the American Towers) appraised at \$370,000. A 25% margin of value was added to \$342,000, which equals \$427, 500. The difference between \$427,500 and 370,000 is \$57,500.

Therefore, the Division retains the real estate and the letter of credit in the amount of \$57,500 (ILOC #00335483) for financial assurance at the Horizon Mine.

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